

WEEK OF STOCK MARKET OF KAZAKHSTAN

October 19 - 25

1 US dollar = **142.65** tenge at official rate for the end of the period
 1 US dollar = **142.64** tenge at weighted average rate of the Exchange for the end of the period

YIELD OF STOCK EXCHANGE INSTRUMENTS

Following is the table that allows to compare investment attractiveness of the financial instruments, which were regularly traded or quoted at Kazakhstan stock exchange (KASE) during October 19 - 25. In parentheses – figures of previous period. Instruments are given in ascending order, based on their attractiveness.

Investment attractiveness of stock exchange instruments from October 19 through 25

Financial instrument	Currency	Yield, % APR	Volume of deals, mln KZT	Volume of deals, mln USD
ALKSb	USD	14.92 (14.97)	0 (0)	0 (0)
KOMBb	USD	13.50 (13.50)	0 (0)	0 (0)
ATFBb	USD	10.95 (11.21)	0 (0)	0 (0)
KZOLb	USD	10.78 (11.30)	0 (18.9)	0 (132.5)
KZTOb	USD	10.57 (-)	897.0 (0)	6,288.3 (0)
HSBKb	USD	10.50 (10.50)	0 (0)	0 (0)
TMJLb	USD	10.00 (10.00)	0 (0)	0 (0)
KKGBb	USD	9.84 (9.85)	0 (0)	0 (0)
Euronotes-4	USD	9.61 (9.58)	1,021.2 (2,448.4)	7,159.4 (17,171.0)
Euronotes-3	USD	9.19 (9.21)	444.1 (1,146.1)	3,113.3 (8,037.8)
Euronotes-2	USD	8.84 (9.04)	7.1 (11.4)	50.0 (79.6)
TEBNb	USD	8.59 (8.64)	0 (0)	0 (0)
MEKAVM	USD	*7.30 (7.70)	318.6 (34.4)	2,233.4 (241.1)
RENTb	USD	5.92 (6.47)	0 (0)	0 (0)
MEKKAM, notes	KZT	*7.30 (10.36)	1,921.6 (1,394.9)	13,471.8 (9,782.9)
GB repo	KZT	*2.77 (3.44)	1,888.4 (2,258.0)	13,238.6 (15,835.6)

Notes: yield of KZTOb is calculated as average of deals; for other corporate bonds - as average of bid quotations.

Tenge devaluation rate is estimated at weighted average rate of the main session of KASE in the week by a trend of **2.24% APR**.

The yields, shown here, do not incorporate overhead expenses that are inevitable when conducting operations and fixing profits (commission and tax collections, membership fees etc). Marked by a star are the instruments with less than a year circulation term. Weighted average effective yields are given for them.

INDICATORS OF INTERBANK DEPOSIT MARKET

Following is the table of mean values of interbank offering rates (KIBOR), calculated by the quotations put out by the banks in the trade system of KASE. The trend reflects the change of the indicator relative to the last day of previous period. Minimum quotation volume is KZT15 mln. The quotations are indicative meaning that participants do not have to conclude deals on given terms.

Indicators of Kazakhstan interbank deposit market as of October 24, 4:00 PM ALT and changes during the week

Term	Currency	Rate	Trend
1 week	KZT	6.00	-0.38
2 weeks	KZT	7.10	+0.16
1 month	KZT	8.00	+0.37
2 months	KZT	8.90	+0.65
3 months	KZT	10.00	+0.75

During the period the cost of the shortest money was steadily falling. It could be traced clearly not only by looking at weekly values of the KIBOR, but also by looking at the bid rates in repo sector of the KASE. The rates of interbank "overnight" tenge deposits were at their lowest almost during the whole week. The cost of more lengthy money, as it is apparent from the table, was growing gradually, which is apparently reflects the forecasts of the bank dealers regarding the liquidity of the banks and upcoming situation on the money market.

THE SECURITIES SECTOR (SS)

Secondary market

During observed period 7 deals amounting to **\$6,699.8 th.** were made **in purchase and sale sector** of the securities on trade floors of the KASE. Relative to previous period (\$928.4 th., 19 deals) weekly turnover of the sector increased 7.2 times. Such a sharp growth in the volume is explained by making the first deal in **coupon bonds of NOTC KazTransOil CJSC** (Astana, official list of securities, category "A", KZTOb), which was apparently made during the initial offering of the bonds by the subscription. The proportion of KZTOb within a weekly turnover of the securities equaled 93.9%. In other instruments that were traded during the week the volumes of the deals were insignificant. Last week the market favorites were common shares of Bank TuranAlem OJSC.

During the week the price of CCBN fell by 8.5% relative to previous successful trades (the market-maker of these securities is closely monitoring the change in USD/KZT exchange rate), the value of VTBNp fell by 0.9%. The values of BTAS and UTMKp did not change.

Data on the deals, bid and offer information, as well as description of trade codes are given in the tables.

Results of the trades in shares from October 19 - 25

USD per share, unless otherwise specified

Issuer	Securities	Close	WA price	Volume	Best bid	Best offer
Almaty Kus OJSC	ALKS			0	0.15	0.31
Bank TuranAlem OJSC	BTAS	70.20	70.20	220	72.00	70.20
Bank CenterCredit OJSC	CCBN	1.53	1.40	111,325	1.40	1.19
Halyk Bank of Kazakhstan OJSC	HSBK	*0.91		0	1.16	1.82
KAZKOMMERTSBANK OJSC	KKGB	0.70		0	0.25	0.50
Kazakhtelecom	KZTK	15.00		0	16.00	18.00
Kazakhtelecom	KZTKp	*8.08		0	8.00	12.00
Rakhat JSC	RAHT			0	*0.42	
SHNOS OJSC	SYRG	1.63		0	1.30	
Temirbank OJSC	TEBN	*1.10		0	0.70	3.62
UKTMK OJSC	UTMK	*50.00		0	5.00	145.00
UKTMK OJSC	UTMKp	28.00	28.00	1,000	30.80	28.00
VALUT-TRANZIT BANK OJSC	VTBN	2.18		0	1.40	2.52
VALUT-TRANZIT BANK OJSC	VTBNp	*3.28	3.28	64,700	3.28	2.52

Results of the trades in bonds from October 19 - 25

yield for the buyer in % APR till maturity, unless otherwise specified

Issuer	Code	Currency	Last	WA	Volume, th. USD	Best bid	Best offer
Almaty Kus OJSC	ALKSb	USD	15.13		0.00	17.10	14.95
AMB CJSC	ATFBb	USD	11.38		0.00	11.37	10.95
Halyk Bank of Kazakhstan OJSC	HSBKb	USD	12.00		0.00	12.61	10.50
KAZKOMMERTSBANK OJSC	KKGBb	USD	12.76		0.00	11.12	9.84
Komirbank OJSC	KOMBb	USD	14.50		0.00	16.50	13.51
NOC KazakhOil CJSC	KZOLb	USD	11.30		0.00	11.00	10.94
NOTC KazTransOil CJSC	KZTOb	USD	10.57	10.57	6 288.33	10.57	10.57
RENATA LLP	RENTb	USD			0.00		*6.09
Temirbank OJSC	TEBNb	USD	11.28		0.00	12.11	8.61
Kazakhstan Temir Joly NSE	TMJLb	USD	10.82		0.00	10.50	10.00

Notes: bid and offer prices are given for the period; if no deals were made during reporting period (volume =0), the last price of successful trades will be given; marked by a star are indicative quotations in Quotation trade system of KASE unlike the bids submitted in regular trade mode, or the price of direct deals.

The KASE index that reflects the changes in the bids on the shares from the official list of the Exchange's securities of the category "A", including the market capitalization of their issuers, **grew by 0.2931 during the week**, at **100.0004** at October 24 closing.

In the securities repo sector 4 deals were made during the week:

- 2 deals for opening a 30 day repo on common shares of Bank TuranAlem OJSC for an amount of **\$2,453,799.15** at **2.99% APR** in terms of dollars;
- 2 deals for closing a 186 day repo on common shares of Bank CenterCredit OJSC for an amount of **\$1,028,850.00**. Actual return of the transaction equaled 12.97% APR when calculated in U.S. dollars, in KZT - **13.66% APR**.

At the end of the period **four** indexed securities repos were opened at the trade floor of the Exchange for a total of **\$2,965.6 th.** Common shares of Bank TuranAlem and Bank CenterCredit were used as the object of repo deals.

Change in the securities lists

From October 19, 2000, by the decision of the KASE Board and on the basis of the resolution of the Exchange Council, dated October 19, 2000 inscribed common shares (KZ1C33291013, trade code - **VTBN**) and preferred inscribed shares (KZ1P33291018, trade code **VTBNp**) of **VALUT-TRANZIT BANK OJSC (Karagandy)** were

transferred to category "A" of official list of the KASE securities. Previously, the shares were in the official list under category "B".

From October 26, 2000, based on the application of the trade member of the Kazakhstan Stock Exchange (KASE) common (trade code – **DNFB**) and preferred (trade code – **DNFBp**) inscribed shares of **Donskaya neftebaza OJSC** (Donskoi oil warehouse, Khromtau, Aktobe region) are admitted to the trades in "Non-listed securities" sector under the second admittance level of current year. Primary activities of the company: production and sale of commodity, including oil products, consumer goods.

Announced authorized capital of Donskaya neftebaza OJSC is KZT42,900,000.00 and fully paid. The first issue was considered invalid. The second issue contained 429,000 shares with KZT100.00 face value, including 386,100 common (KZ1C12441318) and 42,900 preferred (KZ1P12440313) shares.

Capitalization

On October 25, 2000 the **capitalization of the companies**, whose shares are traded on the securities exchange market of Kazakhstan, equaled **\$1,301.4 mln** or KZT185.6 bln at tenge to dollar rate of the Exchange, effective on that date. During the week this number decreased by \$1.0 mln in terms of dollars was caused by a change in the values of the instruments traded during the week (see above).

The capitalization of the exchange market of corporate bonds by the best bids, that are regularly put out by the market-makers of these securities in the trade system of the Exchange, was fixed at **\$130.8 mln** as of October 25, or **KZT18,657.3 mln**. This indicator grew by \$32.7 mln, which is explained by the fact that the first deal was made in coupon bonds of NOTC KazTransOil CJSC (see above). In nominal value (total face value of the bonds that were entered into trade lists of KASE) is estimated at **\$134.2 mln** as of this check date. or **KZT19,138.0 mln**.

GOVERNMENT SECURITIES (GS)

In **GS purchase and sale sector** of KASE total volume of **65 deals** equaled **KZT3,847.1 mln**. In previous week the turnover reached KZT5,551.7 mln with 78 deals made. When comparing these figures it should be kept in mind that this period was shorter than the previous one by one day. But, despite of this, the activity of this sector has declined obviously. It happened mainly due to a shrinkage of the market for euronotes and partially due to a decline in the liquidity of MEKAVM and MEOKAM.

The most interesting feature - very significant fall in the yield to maturity of the shortest MEKKAM and notes. It can be said that the yields of super short securities have never been so low on the secondary market of Kazakhstan. In the opinions of IRBIS analysts, such disposition is explained solely by a big amount of free funds on the market, especially, if the matter is about short-term investments.

Parameters of stock exchange transactions in SS from October 19 - 25

(in parentheses are comparable figures of the previous period)

Days till maturity	Yield to maturity for a buyer, % APR.				Volume, mln tenge discounted	Number of deals	
	min	max	last deal	weighted average			
Discounted GS: MEKKAM-3, 6, 12, notes				49.9% (25.1%) of purchase and sale sector's turnover			
less than 8	4.49	4.73	4.73	4.65 (-)	299.85	2	
8 - 14	4.97	4.97	4.97	4.97 (8.00)	1.80	1	
15 - 28	5.99	6.93	6.58	6.51 (7.18)	172.01	6	
29 - 36	3.30	6.98	6.98	3.45 (7.05)	235.21	2	
37 - 42	7.00	7.00	7.00	7.00 (-)	29.78	1	
43 - 56	7.35	7.57	7.46	7.44 (7.50)	128.30	4	
57 - 63	7.39	15.73	7.68	7.91 (7.70)	515.01	8	
92 - 181	8.28	8.28	8.28	8.28 (8.21)	96.17	2	
182 - 364	8.98	10.40	10.40	9.88 (12.27)	443.49	8	
Total					1,921.6 (1,394.9)	34 (30)	
Discounted indexed GS: MEKAVM-9, 12				8.3% (0.6%) of purchase and sale sector's turnover			
15 - 28	6.50	6.50	6.50	6.50 ()	39.79	1	
92 - 181	7.20	8.12	7.20	7.25 (8.02)	278.77	3	
Total					318.6 (34.4)	4 (5)	
Coupon GS: MEOKAM-24, 36				3.5% (9.3%) of purchase and sale sector's turnover			
609 - 1,071	11.88	18.78	18.78	13.31 (13.51)	516.2	13	
Total					134.5 (516.5)	3 (13)	
Euronotes of Kazakhstan, USD				38.3% (65.0%) of purchase and sale sector's turnover			
*698	8.84	8.84	8.84	8.84 (9.04)	7.1	1	
**1,434 - 1,439	9.12	9.20	9.17	9.19 (9.21)	444.1	7	
***2,357 - 2,362	9.56	9.64	9.62	9.61 (9.58)	1,021.2	16	
Total					1,472.4 (3,605.9)	24 (30)	
SUBTOTAL				3,847.1 (5,551.7)			65 (78)

Notes: for euronotes (* - second issue, ** - third issue, *** - fourth issue) volumes of the deals are calculated at weighted average USD/KZT rate of the Exchange. Volumes for indexed domestic GS are calculated considering official rate of USD/KZT.

In GS repo sector 91 deals for a total of KZT6,341.4 mln were made during the period. Of this number 36 deals (for KZT1,888.4 mln) were repo opening deals and 55 (KZT4,453.1 mln) were repo closing deals. Last week total turnover of this sector of the market was at KZT3,641.9 mln. As it can be seen from these values, big volumes of repo deals were achieved mainly by closing the repos and here it does not indicate that the market operators demanded the tenge.

After closing of the trades on October 24 total amount of opened repo equaled KZT3,858.8 mln. Current weighted average rates as of October 25 (% APR) equaled: for 2 days – 2.14; for 7 days – 5.50; for 8 days – 6.50; for 14 days – 6.50; for 28 days – 4.50; for 29 days – 9.50; for 30 days – 5.50.

Total of 156 deals amounting to **KZT10,188.5 mln** were made in **GS on trade floors of KASE** during last period (purchase and sale and repo sector). Last week volume of 164 deals was KZT9,193.6 mln.

In this week **proportion of the stock market turnover** in total volume of deals on Kazakhstani secondary market for GS for comparable operations (including euronotes and repo operations) equaled **78.6%**, for last week it was 68.0%.

INFORMATION ON THE COMPANIES

Bank CenterCredit OJSC, in accordance with the listing requirements, submitted to KASE the protocol of its extraordinary General meeting of shareholders held on September 29, 2000. The shareholders met to discuss the matter on the issue the Bank CenterCredit OJSC bonds. The majority voted for the issue of 45,000 subordinated bonds for a total of \$4.5 mln. Shareholders also approved the issue terms: circulation period - 5 years, interest rate - 12% APR, coupon type - semiannual.

Besides, KASE was informed that Bank CenterCredit OJSC became one of the founders of PAPF Korgau CJSC with 9.44% participation share in authorized capital.

Common inscribed shares of Bank CenterCredit OJSC (KZ1C36280419, trade code - CCBN) were entered into category "A" of the official list of KASE securities on June 28, 1999.

Halyk Bank Kazakhstan OJSC (Almaty), in accordance with the listing requirements, informed KASE on convocation of the extraordinary General meeting of shareholders. The meeting will be held on October 31. The following is agenda of the meeting: election of administrative bodies of the extraordinary General meeting; president election of the Company's Board; pre-scheduled cancellation of the Board of Directors. Election of the new one; modifications and amendments to the company's Regulation; election of authorized persons from shareholders who will sign modifications and amendments to the company's Regulation; other.

The list of shareholders with the right to attend the meeting will be compiled by the data of the shareholders registrar as of October 10, 2000. In case of quorum absence, the meeting will be held on November 1, 2000.

KAZKOMMERTSBANK OJSC (Almaty), in accordance with the listing requirements, submitted to the KASE the report of the Extraordinary General meeting of shareholders held on September 11, 2000.

According to the agenda, KAZKOMMERTSBANK OJSC shareholders made a decision:

- to approve amendments and modifications to the Bank's Regulation to set it in compliance with "Banks and banking activity law of the Republic of Kazakhstan";
- to borrow \$20 mln in subordinated loan by means of the bonds issue with the purpose to increase shareholders equity and long-term capital attraction. The bonds parameters: circulation period - 10 years, coupon type - semi-annual. Interest rate will be defined just before the floatation, which could be made in Kazakhstan or in the international markets in the form of eurobonds. Eurobonds could also be issued by several floatations; the right of prescheduled redemption (at face value) at the end of each year might be included as well;
- to approve shares value evaluation methodology their repurchase, which can be executed by the decision Directors' Committee. It could be done in case of share cancellation, their redistribution and other reasons stipulated by the Bank's Regulation;
- to approve Deloitte & Touche (Almaty, Kazakhstan) as an independent auditor of the bank for year 2000.

According to the methodology approved by the KAZKOMMERTSBANK shareholders, repurchase of shares must be done at the price, lower than weighted average rate estimated over the deals made in counter auction mode. These deals should be made for last 30 calendar days prior to the date of repurchase terms announcement, in case if their volume is equal or exceeds repurchase volume. In case of their absence, price of re-purchasing shares is set by Boards of Directors.

Kazakhmys Corporation OJSC (Jezkazgan), in accordance to the listing requirements, submitted to the KASE the report of the General annual meeting of shareholders held on July 10, 2000 (including minutes of the meeting, the Board's report, Act of the Inspection commission and its conclusion for 1999).

According to he agenda the Kazakhmys shareholders approved the Board's report and conclusion of the Inspection Commission for year 1999. The shareholders also decreed:

- to distribute net income for 1999 (including undistributed net income of previous years) as follows: reserve fund - KZT683,215.8 th., dividend payments - KZT4,277,945.2 th.;
- to pay off dividend of KZT871.0 per each ordinary and preferred share, payment will start on January 1, 2001. The final date of registration for holders of dividend shares is December 1, 2000;
- to increase the announced authorized capital to KZT2,946,919,800 which will consist of 4,911,533 shares with KZT600 at face value.
- to approve issue and circulation terms regulation of the bonds issue;
- to approve and register modifications and amendments into the Regulation of Kazakhmys Corporation OJSC relating to increase of the announced authorized capital and activity of the management bodies.

Due to expiration of authority of the Kazakhmys management body shareholders elected new staff for the Board of Directors (8 members): Voo Tek Johng (president of the Samsung Corporation), Yong Ku Cha (executive director of the Samsung), Kim Vladimir Alekseyevich (the president of Kazakhmys Corporation OJSC), Ni Vladimir Vasilievich (Head of the Board of "KHOZU of the President of the Republic of Kazakhstan" CJSC - Economic Management Division of the President of the Republic of Kazakhstan), Nazarbayev Marat Nurdildaeyvich (vice-president of Bn-Consulting, Korzhov Andrei Ivanovich (Kazakhmys Corporation OJSC), Ch.X.Song (General Manager of Samsung Corporation), Ch.X. Khong (the president of Sam Trading).

The shareholders also elected new members of the Inspection Commission: Ruzmatova Zoya Ivanovna, Doszhanov Zholaman, Khan Sap Shim.

The president of the Kazakhmys, Kim V.S. addressed a meeting the report on the company's activity for year 1999. He reported that Samsung corporation has been managing the state block of shares (35%) during 5 years. Since June 07, 2000, state shares were transferred to the President of Kazakhmys under management terms.

The report also presented result of the company's activity in 1999 (data for 1995 given in parentheses): ore mining - 32.6m tons (12.7m), ore processing - 36.6m tons (13.3m), concentrated copper - 348.5 th. tons (135.7 th.), blister copper - 376.5 Th tons (131.5 Th), refined copper - 361.9 th. tons (132.3 Th), coal mining - 5.9m tons (3.1m), electric power production - 4.8b kWh/h (0.5b), heat energy - 3.5m G. Calories (1.2 mln). Besides, gold bullion production in 1999 totaled - 2,319.8 kg., granule silver - 412.08 kg, concentrated zinc - 95.9 th. tons.

For last 5 years production investments totaled \$345m of own and borrowed funds. They included investments into mining equipment, ore base development, reconstruction of copper and concentrating mills. Several major ore production sites have been launched during this time: Annenskii mine (4m tons of ore per year), Itauz open cast mine - (2m), mine#73 (2m). New precious metals production plant was launched in Balhash. The company also started construction of zinc production plant. The company started mining work on Zhaman-Aibat, Shaturkul, Artemeyvskoe and Prlovskoe deposits.

For 5 years the corporation has acquired new production complexes including: Balhash mining plant, Eastern Kazakhstan copper-chemical facility, three electric power stations. The corporation opened new branch in Eastern Kazakhstan that included Irtish, Berezovo and Belousovo mines. The corporation owns 65% of Zhektenskii mining and processing plant.

The president also noted that the development of ore resources. The long-term development of the corporation requires the presence of 100-120 years reserve of explored copper deposits. Thus the main task for the Kazakhmys is costs reduction and budget tightening policies. The plan for 2000 includes productions: cathode copper - 419 th. tons, 37.9m tons of ore. The corporation planned to invest \$80m in development of ore reserves, reconstruction and modernization of equipment.

Prepared by the agency «IRBIS»

The bonds of VALUT-TRANZIT BANK CJSC were entered into official list of the KASE securities under category “A”

Special issue based on the information of VALUT-TRANZIT BANK CJSC and Kazakhstan Stock Exchange (KASE)

From October 19, 2000, by the decision of the KASE Board and on the basis of the resolution of the Exchange Council, dated October 19, 2000 inscribed common shares (KZ1C33291013, trade code - **VTBN**) and preferred inscribed shares (KZ1P33291018, trade code **VTBNp**) of **VALUT-TRANZIT BANK OJSC (Karagandy)** were transferred to category “A” of official list of the KASE securities. Previously, the shares were in the official list under category “B”.

The VALUT-TRANZIT BANK OJSC shares were entered into official list of KASE securities on May 19, 2000. Trades were opened on June 1, 2000. Since than 9 deals were concluded for a total of \$2.2 mln including 2 deals in common shares (\$210,273.10; 94,231 shares) 7 deals in preferred shares (\$1,967,764.02; 749,959 shares). Market capitalization - **\$12.3 mln**. The value of common shares decreased by 4.2% from \$2.2775 to \$2.1811 during the trades. In contrast, the value of preferred shares rose by 51.0% from \$2.1722 to \$3.2796.

The quotations accuracy of VALUT-TRANZIT BANK OJSC shares in the KASE trade system - four decimal points.

KBS Securities LLP (Almaty) was granted the market-maker status of common inscribed shares (KZ1C33291013, trade code - **VTBN**) and preferred inscribed shares (KZ1P33291018, trade code **VTBNp**) of **VALUT-TRANZIT BANK OJSC (Karagandy, Kazakhstan)** and it will work as such from October 19, 2000. Minimal volume of mandatory quotations is set for the market-maker at **1,200** securities for common and **800** for preferred shares. This amount of shares should be accessible for deals at any time of the KASE trade day.

GENERAL INFORMATION

Date of initial state registration – October 10, 1991. Legal status – open joint stock company. Ownership – private. Legal and actual address of the head office – 103a, Jambyl St. Karagandy, 470061, Kazakhstan.

Activities – banking services.

The bank is a member of the Association of the banks of Kazakhstan, and financial-industrial association “Valut-Tranzit”.

The bank has the license #43 issued by the National Bank of Kazakhstan to conduct banking activities in tenge and hard currency, dated February 29, 2000.

CAPITAL, SHARES AND SHAREHOLDERS

As of October 1, 00 announced authorized capital of VALUT-TRANZIT BANK OJSC equaled KZT1,000.0 mln, issued – KZT1,300.0 mln, paid – KZT1,000.0 mln. Total of seven issues of VALUT-TRANZIT BANK OJSC securities have been registered. Face value of one share is KZT200.00 irrespective of the issue, type of issue – non-documentary, placement – private.

1st issue was registered on April 6, 94 for an amount of KZT2.0 mln and consisted of 10,000 inscribed shares, including: 9,000 common shares and 1,000 preferred shares. The placement ended on September 27, 94. The report was approved on December 9, 94.

2nd issue (additional) was registered on April 8, 94 for an amount of KZT34.0 mln and consisted of 170,000 common inscribed shares. The placement ended on November 7, 96. The report was approved on January 6, 97.

3rd issue (additional) was registered on February 25, 97 for an amount of KZT84.0 mln and consisted of 400,000 common inscribed shares. The placement ended on June 4, 95. The report was approved on June 9, 97.

4th issue (additional) was registered on December 11, 97 for an amount of KZT80.0 mln and consisted of 400,000 common inscribed shares. The placement ended on December 24, 97. The report was approved on March 2, 98.

5th issue (additional) was registered on December 31, 97 for an amount of KZT300.0 mln and consisted of 1,500,000 common inscribed shares. The placement ended on August 31, 98. The report was approved on November 6, 98.

6th issue (additional) was registered on June 10, 99 for an amount of KZT500.0 mln and consisted of 2,500,000 inscribed shares, including: 1,251,000 common shares and 1,249,000 preferred shares. The placement ended on September 22, 99. The report was approved on January 3, 00.

7th issue (additional) was registered on September 20, 00 for an amount of KZT300.0 mln and consisted of 1,500,000 inscribed shares, including: 1,125,000 common shares and 375,000 preferred shares.

Constitutive documents of the issuer do not contain the norms that discriminate or limit the rights of the people, who own its securities, to transfer (alienate) them. The register of the bank's shareholders is maintained by Registratorskaya sistema tsennykh bumag CJSC (Securities registration system, Almaty, the license #20050017, issued by the National Securities Commission of Kazakhstan on April 8, 97).

The decision on making dividend payments on the shares of VALUT-TRANZIT BANK OJSC by the results of the year is made by the Board of the bank and approved by the shareholders general meeting. The payment order and the minimum dividend amount on preferred shares are set by the issue prospectus, which sets it equal to refinancing rate of the National Bank, effective on dividends declaration date. Beginning from 1994 the bank pays out **dividends** each year.

In 1994: KZT652,680 was paid to common shares (KZT75.52 per share); to preferred shares – KZT200,000 (KZT200 per share).

In 1995: no dividends were paid to common shares; to preferred shares – KZT200,000 (KZT200 per share).

In 1996: KZT2,264,350 was paid to common shares (KZT12.65 per share); to preferred shares – KZT200,000 (KZT200 per share).

In 1997: KZT13,684,360 was paid to common shares (KZT23.06 per share in I quarter, KZT5.64 per share in II-IV quarters); to preferred shares – KZT207,000 (KZT170 per share in I quarter, KZT37 per share in II-IV quarters).

In 1998: no dividends were paid to common shares (KZT20,131,379.67 profit was allocated to increase the authorized capital); to preferred shares – KZT50,000 (KZT50 per share).

In 1999: no dividends were paid to common shares (due to the need to create a reserve fund); to preferred shares – KZT20,695,236 (KZT16.56 per share).

As of October 10, 00 the bank had 857 shareholders. The following entities each own more than 5% of the bank's authorized capital: partnership "Lylia and Co" (Karagandy) – 17.3%; partnership "Irina and Co" (Karagandy) – 16.0%; partnership "TRADE Yelena and Co" (Karagandy) – 11.3%; Central Depository of securities CJSC (Almaty) – 14.0% (nominal holding).

HISTORY AND BRIEF DESCRIPTION OF THE ACTIVITIES

VALUT-TRANZIT BANK OJSC is a successor of Joint stock bank Prima-bank registered with the National Bank of Kazakhstan in October 1991 and re-registered with the Justice department of Karagandy region due to changing of its title into Open joint stock company VALUT-TRANZIT BANK.

In January 1999 a contract was signed to merger Akmola-bank OJSC with VALUT-TRANZIT BANK OJSC based on the decisions of both banks' shareholders general meetings. On April 16, 1999 the Board of the National Bank of Kazakhstan adopted a resolution #71 to reorganize two banks by merging Akmola-bank OJSC with VALUT-TRANZIT BANK OJSC. The merger ended in October 1999. After the bank has issued its 6th issue of shares for an amount of KZT500.0 mln on June 10, 2000, common inscribed shares of Akmola-bank OJSC with KZT1,000 face value were exchanged into common inscribed shares of VALUT-TRANZIT BANK OJSC with KZT200 face value each in a proportion of 1:5.

By the resolution of the National Bank of Kazakhstan, dated April 21, 2000, the bank has developed individual plan to switching to international standards approved by the National Bank. Each quarter the bank reports to the National Bank on the progress of the switch into international standards based on the individual plan. Based on the data, in order to complete the process the bank needs to create a General ledger book including its subdivisions, put it into work and make sure the transactions are monitored. These activities are to be completed by November 1, 2000.

The bank has 5 branches, 30 settlement-cash register offices and 91 currency exchange offices in different cities of Kazakhstan.

The number of employees as of October 1, 2000 is 1,230.

The bank's shareholders' equity, calculated on the basis of the National Bank's instructions, grew by KZT863.0 mln, or 5.2 times from 1997 to 1999, and in 9 months of 2000 – by 45.6% (by KZT488.3 mln). In 1999 increase in shareholders' equity by 51.6% was due to the merger with Akmola-bank OJSC. In 9 months of 2000 major growth in shareholders' equity came from the first level capital – by KZT412.7 mln (premiums on the shares or additional capital). Growth in additional capital was due to the fact that in 2000 the bank was regularly buying back its own shares and selling them both on organized market, and out of it (in 8 months of this year total turnover of common shares equaled KZT730.1 mln, for preferred shares – KZT287.8 mln).

The assets of VALUT-TRANZIT BANK OJSC grew by KZT2.4 bln, or 6.8 times in the same period (1998 to 1997 – 4 times, 1999 to 1998 – 1.7 times), in 9 months of 2000 by KZT2.6 bln, or 1.9 times. The major growth that took place in 1999 and in the first half of 2000 was due to a loan portfolio (1999 – 84.6% of the assets, in 2000 – 78.2%).

The structure of income assets of VALUT-TRANZIT BANK OJSC

Assets	As of Jan.1.99		As of Jan.1.00		As of Oct.1.00	
	Th. KZT	%	Th. KZT	%	Th. KZT	%
Cash	97,298	7.5	92,880	3.5	136,173	2.8
Correspondent accounts	23,572	1.8	97,588	3.7	340,637	7.1
Securities	-	0	-	0	44,950	0.9
Requirements to the clients	1,182,497	9.7	2,455,737	92.8	4,295,837	89.2
Total of income assets	1,303,367	100	2,646,205	100	4,817,597	100

The proportion of profitable assets within total assets of the bank equaled 78% in late 1997 and 1998, and 93% in late 1999, as of October 1, 2000 – 89%. In 1999 profitable assets of the bank increased by KZT1.3 bln, or 2 times against 1998, in 9 months of current year – by KZT2.2 bln, or 1.8 times. The major increase (3.5 times in 1999, and 1.7 times in 9 months of 2000) came from the loan portfolio. The increase of profitable assets is explained by the bank's management as the expansion of regional networks, growth in the number of clients (the number of legal entities grew from 4,000 to 5,000 in 9 months of 2000, that of individuals – from 35,000 to 55,000), shareholders' equity, as well as expansion of correspondent network (in early 2000 – 9 correspondent banks, as of October 1, 2000 – 16).

The loan portfolio of VALUT-TRANZIT BANK OJSC was at about KZT2.5 bln as of January 1, 2000, 2.1 times growth relative to 1999. In 9 months of 2000 the loan portfolio grew by KZT1.8 bln, or 74.9%, at KZT4.3 bln. The bank's loan portfolio is made of call deposits of its clients and the bank's own funds.

As of October 2000 the deposits accounted for 68.9% (KZT2.7 bln) of VALUT-TRANZIT BANK OJSC liabilities, of which KZT1.4 bln, or 44.7% are the deposits of individuals. In 1999 the volume of deposits increased 2 times relative to previous year, at KZT1.3 bln, in the first half of 2000 – 2.3 times, at KZT3.0 bln. The proportion of call deposits equals 75.8% of the total amount.

As of October 1, 2000, the most proportion of the bank's loan portfolio belonged to the companies in recreation, tourism and sports industry – 45.7%, retail trade – 17.2%, hotels and restaurants – 15.1%, financial intermediaries – 12.2%.

The structure of the loan portfolio of VALUT-TRANZIT BANK OJSC

Type of the loan	As of Jan.1.98		As of Jan.1.99		As of Jan.1.00		As of Oct.1.00	
	Th. KZT	%	Th. KZT	%	Th. KZT	%	Th. KZT	%
Short-term loans	35,571	13.6	65,317	5.5	1,431,384	58.3	1,319,448	30.7
Mid-term loans	2,550	1.0	637	0.1	200	0.0	3,899	0.1
Long-term loans	222,618	85.4	1,063,712	90.0	407	0.0	-	0
Leasing	-	0	36,980	3.1	1,023,746	41.7	2,972,396	69.2
Factoring	-	0	15,851	1.3	-	0	94	
Total	260,739	100.0	1,182,497	100.0	2,455,737	100.0	4,295,837	100.0

From 1998 the bank is actively engaged in financial leasing, whose proportion is tend to grow. In 9 months of 2000 the volume of leasing operations increased by KZT1.95 bln relative to 1999. The management explains this active use of financial leasing by the fact that based on current legislature lease payments are exempt from income tax and not included in overall year income. At initial stage of the program favorable interest is provided. Upon signing a lease agreement, the bank and the lessee develop a repayment schedule of the principal amount and increase of interest rates up to the level of market rates. VALUT-TRANZIT BANK, as the owner and the manager of the collateral, controls is security and proper use, which eliminates the risk of bad debts in the future. Individuals and legal entities engaged in entrepreneurship are the lessees.

Data on the quality of the loan portfolio of VALUT-TRANZIT BANK OJSC

Type of the loan	As of Jan.1.98		As of Jan.1.99		As of Jan.1.00		As of Oct.1.00	
	Th. KZT	%	Th. KZT	%	Th. KZT	%	Th. KZT	%
Standard	260,129	99.8	916,324	77.5	1,520,784	61.9	3,572,090	83.2
Substandard	-	-	256,320	21.7	934,879	38.1	723,747	16.8
Unsatisfactory	610	0.2	610	0	-	-	-	-
Doubtful with high risk	-	-	386	0	-	-	-	-
Bad	-	-	8,857	0.8	74	-	-	-
Total	260,739	100.0	1,182,497	100.0	2,455,737	100.0	4,295,837	100.0

Data on the provisions create by the loans of VALUT-TRANZIT BANK OJSC

Type of the loan	As of Jan.1.98		As of Jan.1.99		As of Jan.1.00		As of Oct.1.00	
	Th. KZT	%	Th. KZT	%	Th. KZT	%	Th. KZT	%
Standard	-	-	-	-	-	-	-	0
Substandard	-	-	12,816	58.3	46,744	99.8	36,187	100
Unsatisfactory	122	100	122	0.6	-	-	-	-
Doubtful with high risk	-	-	193	0.03	-	-	-	-
Bad	-	-	8,857	40.3	74	0.2	-	-
Total	122	100.0	21,988	100.0	46,818	100.0	36,187	100.0

The income earned from dealing operations, loans granted and settlement-cashier transactions constitute the most part of the bank's income. Income from settlement-cashier transactions increased 6.6 times (from KZT20.2 mln in December 1997 to KZT133.6 mln in September 2000) due to an increase in the number of accounts opened in the bank. As of December 31, 1997 the bank was servicing 2,000 legal entities, as of October 1, 2000 – about 5,000 legal entities and more than 50 th. individuals.

The residual amounts in the accounts of the clients grew 6.7 times (in late 1997 total residual amounts equaled KZT117.7 mln, in September 2000 – KZT790.3 mln). Moreover, the amounts of monthly utility bills increased from KZT19.3 mln in January 1999 to KZT300 mln in September 2000. The reduction of tariffs in mid 1999 helped to increase the number of accounts noticeably, which caused the volume of transactions on the accounts of the clients to increase more than 30 times and income from settlement-cashier operations by 280%.

As of October 1, 2000 weighted average interest rate on the funds raised by the bank equaled 11.4% (14.2% on deposits), and 29.6% on the funds placed by the bank.

Increase in total expenses by 324.1% in 1999 relative to 1998 was due to re-evaluation of deposits in hard currency because of the devaluation of the national currency in April 1999.

FINANCIAL STATEMENTS DATA OF THE ISSUER

Following is the table of the main indicators of financial and economic activities of VALUT-TRANZIT BANK OJSC (Karagandy) compiled on the basis of Listing Commission conclusion of the KASE. Table below presents main financial indicators of the VALUT-TRANZIT BANK OJSC. The data compiled in accordance with the Kazakhstan Accounting Standards (KAS), banking legislation, instructions and regulations of the National Bank of Kazakhstan (NBK).

Financial statements for 1997-1998 are confirmed by Mr. Raimzhanov S., independent auditor (the licenses of the Ministry of Finance #0095, dated October 10, 1997 and the National Bank of Kazakhstan #2, dated Oct 13, 1996). For year 1998, the statements confirmed by auditor's conclusion of the ELTAL UVEMAN Consulting (Almaty, Kazakhstan). The international audit for year 1999 was conducted by KPMG Janat (Almaty, Kazakhstan).

Indicator	As of Jan.1, 1998	As of Jan.1, 1999	As of Jan.1, 2000	As of Oct.1, 2000
Authorized capital (paid-up)	200,000	500,000	1,000,000	1,000,000
Shareholders' equity	213,872	523,547	1,041,823	1,534,110
Total assets	421,283	1,672,201	2,846,628	5,446,354
Liquid assets	67,817	120,870	190,468	514,660
Credits granted	260,617	1,160,509	2,408,919	4,259,650
Loans and deposits	207,361	915,639	1,796,066	3,862,457
Income from operating activity	142,490	338,536	656,378	638,242
Net income	20,741	20,181	29,002	80,545
Return on assets (ROA), %	4.92	1.21	1.02	1.48
Return on equity (ROE), %	9.70	3.85	2.78	5.25
Net income per ordinary share (EPS), KZT	20.55	8.06	2.22	–
Book value of share, KZT	213.87	209.42	208.36	306.82

AUDITING REPORT DATA

The table below is compiled by KASE experts on the basis of KPMG Janat auditor's report (KZT, thousands, unless otherwise specified):

Indicator	As of Jan.1, 1999	As of Jan.1, 2000
Authorized capital (paid-up)	500,000	1,000,000
Shareholders' equity	523,547	1,041,823
Total assets	1,672,201	2,846,628
Liquid assets	115,550	181,112
Placements and loans to clients (net)	1,160,509	2,408,919
Banks debts	5,320	9,356
Debts to banks	16,023	40,000
Debts on clients	899,617	1,756,066
Income from operating activity	390,085	1,125,347
Net income (loss)	20,181	29,002
Return on equity (ROE), %	3.85	2.78
Return on assets (ROA), %	1.21	1.02
Net income per ordinary share (EPS), KZT	8.06	2.22
Book value of share, KZT	209.42	208.36

The auditor made indisputable opinion over financial statements of the bank for year 1999. The auditor also confirmed that liquidity level of the bank and other indicators comply with the NBK prudential normative.

According to the KPMG Janat's conclusion, financial statements of VALUT-TRANZIT BANK OJSC gives a reliable and accurate picture of the company's financial situation as of December 31, 1999 in all essential

aspects including cash flow and income statements. The financial statements comply to Kazakhstan and International accounting standards.

The auditor's conclusion is indisputable. At the same time, the auditors notes that in 1999, the bank concluded several financial leasing contracts with low interest rates and deferred principal repayments. These contracts (KZT989,133 Th) were signed with members of "Valut-Tranzit" Financial-industrial Association. The bank is one of the members of the association. Thus, the bank intends to negotiate terms of the contracts during 2000 and receive more preferential conditions.

COMPARATIVE CHARACTERISTICS

Table below presents characteristic of the bank made by KASE experts as of October 1, 2000 in comparison with average ratios of 4 similar banks (by the size of shareholders equity). Average ratios estimated on the basis of financial statements submitted by banks holding "B" category of the KASE membership (currency trades).

Indicator	VALUT-TRANZIT BANK OJSC	Average value over 4 other banks
Shareholders equity	1,557,876	1,486,535
Assets	165,446,110	7,179,478
Net income	80,545	124,662
K1 (min 0.04)	0.26	0.25
K2 (min 0.08)	0.31	0.75
K4 (min 0.20)	0.60	1.45
ROA, %	1.48	3.16
ROE, %	5.17	7.94

COMMENTS OF THE LISTING COMMISSION

General situation of the banking sector in Kazakhstan. During last five years banking sector of Kazakhstan has concentrated much of economy's capital. At the same time, number of commercial banks decreased. For instance, the data of the National Bank of Kazakhstan shows decrease in banks' number from 130 (end year 1995) to 47 (July 1, 2000). Only first six months saw suspension of 15 banks. At the same time, total capital of the banks increased from KZT14.9 bln to KZT79.3 bln, total assets - from KZT163.0 bln to KZT410.4 bln. If by the end of 1995, only 53.1% of banks had authorized paid-up capital of less than KZT20 mln and 0.8% were banks with the capital less than KZT1.3 bln, than in a mid year 2000 composition looked as follow: 21.3% - capital exceeding KZT1.3 bln, 51.1% - less than KZT1.3 bln, and 2.3% - less than KZT80 mln.

The bank's participation in "Valut-Tranzit" Financial-industrial Association. The managers of the Valut-Tranzit Bank deny any affiliated relations with members of the Association. However, most titles of the Association's members include "Valut-Tranzit" abbreviation (Valut-Tranzit Lombard, Valut-Tranzit non-state accumulative pension fund, Valut-Tranzit Hotel, Valut-Tranzit Oil ALS). Besides these facts, the auditors noted that in 1999, the bank concluded several financial leasing contracts with low interest rates and deferred principal repayments. These contracts (KZT989,133 Th) were signed with members of "Valut-Tranzit" Financial-industrial Association. The share of these contracts took 96.6% of total leasing contracts. The share of financial leasing in total volume of loan portfolio as of Dec 31, 1999 consists of 41.7%, as of October 1, 2000 - 69.2%.

Participation in Kazakhstan Personal Deposits Insurance Fund CJSC (KPDIF). At present bank intends to join the deposit insurance system presented by Kazakhstan Personal Deposits Insurance Fund CJSC. The time and probability of these intentions is not yet properly defined.

Increase in shareholders' equity of the bank. Growth of the shareholders equity for the first 9 months amounted KZT488.3 mln or 45.7%. The major growth (84.5%) falls on additional capital (premium on shares). The bank informed that during this time it has been conducted repurchase-sale operations with own shares.

COMPLIANCE WITH CATEGORY "A" KASE LISTING REQUIREMENTS

As of Oct 01, 2000, the shareholders equity of Valut-Tranzit Bank OJSC totaled KZT1,557,876 thousands or \$10,921 mln (at the official exchange rate as of Oct 01, 2000 - KZT142.65). The company, as an independent legal entity was founded 9 years ago. Valut-Tranzit Bank OJSC has independent auditor's conclusion made by the KPMG Janat for 1998-1999 - over the balance, result of economic and financial activity and cash flow statement for 1999. According to the financial statements of the company compiled in compliance with Kazakhstan accounting standards the bank has been profitable during last three years. The income for 1998-99 is confirmed by the KPMG Janat conclusion. The bank issued - 6,500,000 shares. As of Oct 10, 2000, there were 857 shareholders. KBS Securities LLP (Almaty) takes market-makers responsibilities for quotations the bank's shares. The register is maintained by independent registrar - Securities Registering System CJSC. The terms of the issue do not contain norms restraining and limiting transferring rights (alienation). The bank does not currently participates in the collective personal deposits insurance system. Whereas this requirement was included into "Securities Listing Regulation" by the decision of KASE members (categories "K", "P", "H") dated September 25, 2000 (minutes #6). This requirement was submitted to the National Securities Commission of

the Republic of Kazakhstan (NSC) on approval *(approved by the resolution of Directorate of the NSC #684 dated Oct 13, 2000 after conclusion of the Listing Commission - IRBIS comments).*

KASE LISTING COMMISSION CONCLUSION

After consideration of submitted documents, the Listing Commission of KASE confirms that Valut-Tranzit Bank OJSC complies with requirements set by “Securities Listing Regulation” on inclusion of securities into official list of KASE securities, category “A”, except for requirements stipulating participation in the collective personal deposits insurance system.

Prepared by the agency «IRBIS»